#### NORTHWEST OHIO COMMUNITY SHARES, INC. (A NON-PROFIT ORGANIZATION)

#### FINANCIAL STATEMENTS

June 30, 2015 and 2014

Laura J. MacDonald, CPA, Inc. 135 North Broadway Medina, Ohio 44256

TABLE OF CONTENTS	Page No.
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statement of Functional Expenses Year Ended June 30, 2015 Year Ended June 30, 2014	5 6
Statements of Cash Flows	7
Notes to Financial Statements	8



135 North Broadway • Medina, Ohio 44256 330.722.1944 • Fax 330.241.5090

#### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Northwest Ohio Community Shares, Inc. Toledo, Ohio

I have audited the accompanying financial statements of Northwest Ohio Community Shares, Inc. (a non-profit organization) which comprise the Statements of Financial Position as of June 30, 2015 and 2014, and the related Statements of Activities, Functional Expenses and Cash Flows for the years then ended, and the related Notes to the Financial Statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northwest Ohio Community Shares, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America,

Medina, Ohio

December 21, 2015

## NORTHWEST OHIO COMMUNITY SHARES, INC. STATEMENTS OF FINANCIAL POSITION June 30, 2015 and 2014

		2015	2014		
ASSETS	-				
CURRENT ASSETS					
Cash and cash equivalents:					
Unrestricted	\$	4,264	\$	8,426	
Restricted for campaign distributions		83,072		87,695	
Campaign pledges receivable, net of shrinkage allowance					
of \$6,082 and \$8,130 in 2015 and 2014, respectively		88,621		90,472	
Prepaid expenses		117		574	
TOTAL CURRENT ASSETS		176,074		187,167	
OTHER ASSETS					
Deposits		320		320	
TOTAL ASSETS	\$	176,394	\$	187,487	
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Campaign distributions payable	\$	142,261	\$	150,904	
NET ASSETS					
Unrestricted		28,716		30,599	
Temporarily restricted		5,417		5,984	
Permanently restricted			-	-	
TOTAL NET ASSETS		34,133		36,583	
TOTAL LIABILITIES AND NET ASSETS	\$	176,394	<u>\$</u>	187,487	

### NORTHWEST OHIO COMMUNITY SHARES, INC. STATEMENTS OF ACTIVITIES Years Ended June 30, 2015 and 2014

	2015						
	Temporarily						
	Un	restricted	Re	stricted	Total		
SUPPORT AND REVENUES							
Campaign pledges:							
Amounts raised on behalf of member organizations	\$	172,783	\$	<b>80</b> 0.	\$	172,783	
Less: amounts remitted and remittable to member							
organizations		(136,565)		-		(136,565)	
Less: amounts designated to Community Shares		(5,417)		~		(5,417)	
Less: shrinkage expense	. *************************************	(5,488)	***************************************			(5,488)	
Campaign management fee revenue		25,313		**		25,313	
Other revenues:							
Pledge designations to Community Shares				5,417		5,417	
Pledge designations released from restriction		5,984		(5,984)		, <u>-</u>	
Fundraising, net of \$5,102 and \$7,299 in expenses				_			
for 2015 and 2014, respectively		17,701				17,701	
Membership dues and fees		7,500		-		7,500	
Contributions		4,797		_		4,797	
Interest income		115		· -		115	
Miscellaneous income		779		-		779	
TOTAL OTHER REVENUES		36,876		(567)		36,309	
TOTAL SUPPORT AND REVENUES		62,189		(567)		61,622	
EXPENSES							
Program expenses		51,356		-		51,356	
Fundraising expenses		6,358		-		6,358	
Management and general expenses	***************************************	6,358	**************************************			6,358	
TOTAL EXPENSES	V	64,072		***		64,072	
INCREASE (DECREASE) IN NET ASSETS		(1,883)		(567)		(2,450)	
NET ASSETS AT BEGINNING OF YEAR	***************************************	30,599		5,984		36,583	
NET ASSETS AT END OF YEAR	\$	28,716	\$	5,417	\$	34,133	

Un	restricted	Temporarily ed Restricted			Total
\$	183,519	\$	-	\$	183,519
	(144,410)		~		(144,410)
	(5,984)		-		(5,984)
	(3,355)	and the second of the second			(3,355)
	29,770		-		29,770
	-		5,984		5,984
	7,229		(7,229)		-
	20,711		~		20,711
	7,700		_		7,700
	3,451				3,451
	117				117
	1,186	-	-	***************************************	1,186
	40,394		(1,245)		39,149
	70,164		(1,245)		68,919
	50.415				50 415
	52,415		_		52,415
	6,540 6,540				6,540 6,540
***************************************	0,340				0,540
	65,495	***************************************	**	*****	65,495
	4,669		(1,245)		3,424
,	25,930	•	7,229	***************************************	33,159
\$	30,599	\$	5,984	\$	36,583

## NORTHWEST OHIO COMMUNITY SHARES, INC. STATEMENT OF FUNCTIONAL EXPENSES Year Ended June 30, 2015

			MANAGE- MENT					
		PROGRAM		FUND-		AND		
	AC	<u> </u>	RA	ISING	GENERAL		TOTAL	
Salaries	\$	30,437	\$	3,805	\$	3,805	\$	38,047
Payroll taxes		2,671		334		334		3,339
Employee benefits		2,680		335		335		3,350
Office expenses		4,035		504		504		5,043
Consultants		3,129		391		391		3,911
Occupancy		3,072		384		384		3,840
Campaign expenses		1,945		243		243		2,431
Travel		1,184		148		148		1,480
Insurance		1,130		141		141		1,412
Dues and subscriptions		584		73		73		730
Miscellaneous	N	489			,	746	***************************************	489
		51,356		6,358	\$	6,358	_\$	64,072

## NORTHWEST OHIO COMMUNITY SHARES, INC. STATEMENT OF FUNCTIONAL EXPENSES Year Ended June 30, 2014

			MANAGE- MENT					
	PR	OGRAM			AND GENERAL			
	AC'	<u> </u>					TOTAL	
Salaries	\$	30,858	\$	3,857	\$	3,857	\$	38,572
Payroll taxes		2,563		320		320		3,203
Employee benefits		2,203		275		275		2,753
Office expenses		4,564		571		571		5,706
Consultants		3,669		459		459		4,587
Occupancy		3,072		384		384		3,840
Campaign expenses		2,258		282		282		2,822
Travel		1,330		166		166		1,662
Insurance		1,328		166		166		1,660
Dues and subscriptions		475		60		60		595
Miscellaneous	***************************************	95		hq.	<del></del>		<del></del>	95
	\$	52,415	_\$	6,540	_\$	6,540	_\$	65,495

## NORTHWEST OHIO COMMUNITY SHARES, INC. STATEMENTS OF CASH FLOWS Years Ended June 30, 2015 and 2014

		2015	2014		
CASH FLOWS FROM OPERATING ACTIVITIES			***************************************	***************************************	
Increase (decrease) in net assets	\$	(2,450)	\$	3,424	
Adjustments to reconcile increase (decrease) in net assets					
to net cash provided (used) by operating activities					
(Increase) decrease in assets:					
Campaign pledges receivable		1,851		6,924	
Prepaid expenses		457		261	
Deposits		-		-	
Increase in liabilities:					
Accounts payable		-		-	
Campaign distributions payable	***************************************	(8,643)	***************************************	(711)	
NET CASH PROVIDED (USED) BY					
OPERATING ACTIVITIES		(8,785)		9,898	
CASH AND CASH EQUIVALENTS					
AT BEGINNING OF YEAR	*************	96,121	alactic de la proper particular	86,223	
CASH AND CASH EQUIVALENTS					
AT END OF YEAR	\$	87,336	\$	96,121	

#### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Northwest Ohio Community Shares, Inc. (Community Shares) (the Organization) is a non-profit Organization founded in 1997 in Toledo, Ohio. Community Shares is Northwest Ohio's only workplace giving federation with a focus on social justice, health and human services, animal rights, the arts and the environment. The Organization was established for the purpose of promoting workplace giving through member nonprofit organizations. Revenues consist primarily of contributions, fundraising revenue, membership dues and campaign management fees.

#### **Accounting Basis**

The accompanying financial statements have been prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America, as prescribed in the American Institute of Certified Public Accountants' Audit and Accounting Guide: <u>Not-For-Profit Entities</u>. The following information summarizes the accounting basis:

#### Financial Statement Presentation

Community Shares classifies net assets, revenues, gains and other support and expenses based on the existence or absence of donor imposed restrictions. Accordingly, net assets and the changes therein are classified and reported in three categories, as follows:

#### **Unrestricted Net Assets**

Unrestricted net assets are either not subject to donor-imposed stipulations or are subject to such restrictions but those restrictions have been met in the same fiscal period that the revenue is recorded.

#### **Temporarily Restricted Net Assets**

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. As of June 30, 2015 and 2014, temporarily restricted net assets totaled \$5,417 and \$5,984, respectively.

#### Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed stipulations that must be maintained permanently by the Organization. As of June 30, 2015 and 2014, the Organization had no permanently restricted net assets.

#### Campaign Pledges Receivable

Workplace giving campaigns are conducted in the fall of each year and the related pledges are typically paid in the subsequent calendar year. Campaign pledges receivable are classified as unconditional promises and are recorded when the pledge is made, less an allowance for shrinkage.

Community Shares uses the allowance method to determine uncollectible, unconditional pledges receivable. The allowance is based on previous pledge shrinkage analysis and management's evaluation of specific pledges recognized as revenue in the current year.

### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Contributions**

Contributions are accounted for in accordance with FASB ASC 958-605-2. FASB ASC 958-605-2 requires that contributions are recognized when a donor makes a pledge to give that is, in substance, unconditional. Contributions that are restricted by donors are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### Campaign Revenue Raised on Behalf of Member Organizations

Campaign revenue raised on behalf of member organizations is distributed to those member agencies, net of administrative fees and shrinkage allowances. In accordance with FASB ASC 958-20 revenues raised for member agencies are reflected as campaign distributions payable in the accompanying Statements of Financial Position.

In accordance with the by-laws of Community Shares, a minimum of 80% of designated campaign pledge receipts are allocated to eligible member agencies each campaign year. Member agencies are also eligible to receive an allocation of undesignated campaign receipts through governance participation. The Organization makes its final determination of distributions payable to member agencies when the campaign giving period has officially ended. This determination is based on actual pledges collected.

#### Membership Fees

Membership fees are recognized as revenue when earned. Membership fees are payable by July 1<sup>st</sup> each year for the fiscal year ended June 30<sup>th</sup> of the subsequent year.

#### **Statements of Cash Flows**

The Statements of Cash Flows are presented in accordance with FASB ASC 230. The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. As of June 30, 2015 and 2014 cash equivalents totaled \$83,072 and \$91,370, respectively, and consists of money market funds. There were no cash payments for interest or income taxes during the years ended June 30, 2015 and 2014.

#### **In-kind Contributions**

Community Shares recognizes in-kind contributions of services in accordance with the recognition guidelines outlined in FASB ASC 855-10-50.

In-kind contributions of services are recognized as revenue in the financial statements if the services received (a) create or enhance nonfinancial assets (primarily property or other tangible or

### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **In-kind Contributions (Continued)**

intangible assets) or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet this criteria, and promises to give such services, are not recognized. Although Community Shares operates with the help of many volunteers, no amounts have been reflected in the financial statements for contributed services based on these criteria.

#### **Use of Accounting Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make certain estimates that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. Actual results could differ from those estimates.

Certain accounting policies require a higher level of judgement thant others in their application. In the case of Northwest Ohio Community Shares, Inc., such policies include the valuation of campaign pledge receivables.

#### **Income Taxes**

Community Shares is a private, non-profit organization, and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. None of the Organizations present or anticipated future activities are subject to taxation as unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization has adopted the provisions of FASB ASC 740-10-25, <u>Accounting for Uncertainty in Income Taxes</u>, that requires the disclosure of uncertain tax positions. There have been no interest or penalties recognized in the Statements of Financial Position or in the Statements of Activities relating to uncertain tax positions. Additionally, no tax positions exist for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase or decrease during the next 12 months. The Organization evaluates uncertain tax positions, if any, on a continual basis.

The Organizations's federal tax returns are generally subject to examination by the IRS for three years after they are filed.

#### **Functional Allocation of Expenses**

The costs of administering a workplace giving federation and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated between program expenses, fundraising expenses and management and general expenses using various allocation methods which attempt to allocate the costs equitably in relation to the benefits provided.

#### **Disclosure of Subsequent Events**

The Organization is required to disclose the date through which subsequent events have been evaluated, in accordance with the requirements of FASB ASC Paragraph 855-10-50-1. The Organization has evaluated all subsequent events through the date the accompanying financial statements were available to be issued (December 21, 2015) for proper accounting and disclosure in the accompanying financial statements.

### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Reclassifications

Certain balances in the June 30, 2014 financial statements have been reclassified to conform with the 2015 presentation.

#### NOTE 2 - CAMPAIGN PLEDGES RECEIVABLE

Campaign pledges receivable as of June 30, 2015 and 2014 result from the 2014 and 2013 fall workplace giving campaigns, respectively. All such pledges are classified as unconditional promises and are due in less than one year.

#### NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets totaled \$5,417 and \$5,984 as of June 30, 2015 and 2014 respectively, and represent pledges designated for Community Shares resulting from the 2014 and 2013 campaigns. During the years ended June 30, 2015 and 2014, net assets released from temporary restrictions totaled \$5,984 and \$7,229 and represent pledges received from the 2013 and 2012 campaigns, respectively.

#### NOTE 4 – EFFECT OF ECONOMIC CONDITIONS ON CONTRIBUTIONS

The Organization depends on workplace contributions for a significant portion of its revenue. The ability of the Organization's contributors to continue giving amounts comparable with prior years is dependent on future economic conditions.

#### NOTE 5 - CAMPAIGN MANAGEMENT FEE

The Organization charges a management fee to support its operations. During the years ended June 30, 2015 and 2014, the campaign management fee (charged to administer the 2014 and 2013 campaigns) was set at 15% of contributions.

#### NOTE 6 - LEASE COMMITMENTS

The Organization leases office space on a month to month basis. Rent expense for each of the years ended June 30, 2015 and 2014 totaled \$3,840.